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No. 58, May-June 1979



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SELECTIONS FROM ESTRATEGIA

No. 58, MAY-JUNE 1979

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YACYRETA: ATTEMPTS TO DISRUPT NEGOTIATIONS DISCLOSED

Buenos Aires ESTRATEGIA in Spanish No 58, May-Jun 79 pp 5-19

[Article by Div Gen Juan E. Guglielmelli (Ret.): "Yacyreta--'The Black Hand' Tried to Disturb Negotiations with an Apocryphal Discourse"]

[Text] I. Introduction

1. This article deals with an attempt to disturb negotiations between the governments of Paraguay and Argentina over the Yacyreta line through a discourse that is harmful to the authorities in Asuncion and that somebody tried to attribute to the author of this article.

2. This presentation is absolutely apocryphal. But its content was concocted by someone who had excellent knowledge of the temperament of the Paraguayan authorities and who therefore disregarded their probable reactions. In spite of its presumed date of origin (4 May 1979), it came out when negotiations were to be renewed after the parties had opted for different lines for Yacyreta (30 and 31 May 1979). Who wrote that article? Who got it to the Paraguayan authorities?

3. It will be very difficult--and it is beyond our resources--to identify the authors of that piece of writing, a real "black hand" undoubtedly desiring to disturb some bilateral relations that had to be the best possible. In spite of that lack of ability to clarify the issue, we must clear up some significant aspects of this unique episode. This is necessary not only to straighten out the blame that somebody wanted to put on us but also to bring out the existence of interest opposed to harmony between Paraguay and Argentina, a harmony that somebody tried to change through this ill-intentioned manipulation. On the other hand, we are persuaded that this is a totally anecdotic affair, both because of the type of subject matter it concerns and because it is more than probable that, when this work came out, the agreement on the Yacyreta line and on compensations for flooded land will be a situation that will definitely have been resolved by the parties involved.

II. Data in the Apocryphal Document, Discussion on Yacyreta Line and Compensation for Flooded Paraguayan Territory

After signing the Treaty of Yacyreta (December 1973), to take effect subsequently (April 1977), in an Accord on Reversion Notes, signed by presidents Alfredo Stroessner and Jorge Rafael Videla, the parties agreed to use, as the outline for the project, the so-called Executive Project Line or Trace III (see map). This trace flooded about 1,000 square kilometers of Paraguayan territory and an area of 240 square kilometers in Argentina. Annex C, Article IV of the 1973 Treaty in turn provided compensation in relation to the energy ceded by Paraguay to Argentina.

In spite of the commitment signed in 1977, the Paraguayan government brought up the need for additional studies on the already approved line for the purpose of reducing the flooding of its territory and to consider payment of compensation for its surface area that would remain under water.

For greater clarity and in view of our direct interest, it is a good idea to summarize what happened between February and July 1979. We can distinguish three phases in this regard.

First Phase. It began early in February, although there was some prior background before that. It ended on 16 April. During that lapse of time we learned of the decision of the Paraguayan government to conduct additional studies on Trace III which had earlier been accepted. In spite of what had been agreed upon, the Argentine government went along with the new requirement and an Internal Document was signed on 16 April by virtue of which the Executive Committee of the Yacyreta Binational Agency commissioned the consortium of Harza, Lahmeyer and Associates to study "the reduction, as much as possible, of the floodable surface on Paraguayan territory." The order included very specific directives and an approximate deadline of 30 days to work out the final proposal.

Second Phase. It covers the studies by the consultant firm and extended up to the last two days of May. On that occasion, the parties expressed themselves with certain modifications regarding Trace III (executive project) and those modifications made it possible to reduce the Paraguayan floodable area to about 851 square kilometers.

The National Economic Coordination Council of Paraguay, chaired by the Paraguayan chief executive, in permanent session since 23 May, finally rejected the proposal, while the foreign office in Asuncion issued a communique (see Annex I) specifying that it opted for Trace II-A (see drawing). It furthermore demanded that compensation be agreed upon in advance for "differences in flooded land on the territory of either party." Newspaper stories indicated that Paraguay would not accept flooding in excess of 600 square kilometers.

The following evening (31 May), Argentina's Ministry of Foreign Relations issued a communique (see Annex 2) containing all of the background of the controversial issue, also covering the negative consequences deriving from Trace II-A.

Third Phase. Negotiations remained deadlocked and the deadlock was broken with the visit, to Buenos Aires, of Paraguayan Minister of Commerce and Industry Delfin Ugarte Centurion, which we will deal with later.

During the first week of June it transpired unofficially that Paraguay was prepared to resume conversations concerning the line layout and that it would ask between \$40 and \$50 million compensation for its flooded land. The parties separately asked the IDB for a six-month postponement starting on 14 June in order to submit the loan application. The bank granted the loan but only for 90 days. On the other hand it was learned that the World Bank demanded that its loan be applied for following an agreement among the parties but before the close of its fiscal year early in June.

Dr Delfin Ugarte Centurion conferred with the Argentine economy minister on 28 June. He then drafted statements for the daily CLARIN and the NA ("Argentine News" Agency). Through them and other agreed-upon aspects¹ he indicated that an agreement had been arrived at to resume negotiations on Yacyreta on the following two specific topics: the line layout for the entire project; the mechanism to be used in compensating for flooded Paraguayan territory. In this latter sense he stated that the Binational Agency should compensate his country. "The land to be flooded," he said, "has a price on it and that price must be added to the total cost of the project." During the following days, the press took up the different positions of the parties involved in the future negotiations. It was conjectured in this connection that Paraguay would accept the last line layout proposed by the consultant on 19 May but that it would in turn insist on a compensation amount of \$40-50 million in perpetuity. On the other hand--still according to "various stories"--Argentina supposedly would challenge that amount, insisting that payments were to be made over a period of time to be determined with precision. Besides, Buenos Aires would argue that the principles to be adopted in order to pay this compensation would have to have equal validity in dealing with the flooding of Argentine territory when the compensation dam is built.

As a consequence of the Ugarte Centurion-Martinez de Hoz decision, two rounds of negotiations were held. The first one took place in Buenos Aires (12-13 July); the second one was held in Asuncion (19-20 July). Both concluded without any agreement being worked out although there was no final failure either. Because of that, both groups of negotiators sent reports to their governments because it was up to the latter to come up with the final resolution of the problem.

III. Apocryphal Discourse Attributed to Gen Juan E. Guglielmelli (See Complete Text in Annex 3)

On 7 June, the editorial offices of the magazine ESTRATEGIA received first news about a speech that supposedly was delivered by its managing editor on 4 May.

On that day, two presumed newsmen asked for the complete story on the address which the general supposedly delivered at the Marcelo T. de Alvear Geopolitical Research Center. Naturally, they said nothing about the origin of that information, nor did they hint at the (domestic or foreign) "media" whom they represented. They were told that the story was wrong because there had been no such speech in the first place. During the following days, we were asked about the presumed lecture even on the telephone and we repeatedly answered in the negative. Of course, we got moving--although fruitlessly--in order to get more information on the entire matter. Although we did not manage to satisfy the natural curiosity created by this unusual event, we did on the other hand detect the fact that the entire matter had triggered an irritated reaction from some top-level Paraguayan government officials and those repercussions could lead to the failure of negotiations which both parties wanted to resume.

The situation was finally cleared up on 22 June. An Argentine government official, a friend of ours, personally received the complete story about the supposed lecture from Paraguayan Adm Guillermo Haywood. The latter expressed his surprise over the terms used in that lecture. For anybody who knows our work and background it suffices to read the first few paragraphs to realize that we were not the author; we next got on the phone with Admiral Haywood. The "guilty person" thus had an opportunity to deny "the charges" before a Paraguayan authority. The terms of that conversation were confirmed in writing on 25 June (see Annex 4).

The Apocryphal Story

There is no doubt that those who had cooked up this whole thing had not figured on the prompt and irritated reaction from those who were affected by this. It is worth stressing some aspects of the content in this sense.

(a) Efforts to create confusion on possible official Argentine positions

Although the date is 4 May, the story undoubtedly was handed out during the first week of June when it was decided in Asuncion to renew negotiations suspended since the end of May. The purpose seems clear: to prevent further conversations or to harden the Paraguayan position.

Among those present was mentioned the Argentine interior minister "representing the national executive branch and the glorious Argentine armed forces." That would give the episode almost "an official character."

Adm Isaac Francisco Rojas, to whom the speaker supposedly referred as "comrade in so many fights," although outside official circles, represented ideas that could be shared in his service, particularly with respect to the problems along the Upper Parana.

(b) Offensive references to the government and officials of Paraguay

Paraguay was accused as "aggressor" who "betrayed" Argentina. There was furthermore an invitation to "save" our honor, "restitution through action."

There was talk about Paraguayan "brass" who had been moved by Brazilian diplomacy; there was talk about the bad faith in which they acted; finally, there was talk about their getting about \$200 million "in graft" for the job they had done.

Engineer Enzo Debernardi appearing as a technician ignored true Paraguayan interests for the benefit of the Brazilians.

IV. We Repeat the Apocryphal Aspects of the Presentation

We must insist on the falsehood of this document as well as on the aspects that prove that. This on the other hand will help demonstrate the incompetence of those who cooked the whole thing up.

(a) I repeat--above and beyond my responsible denial as author of the supposed speech--what I said in my letter to Adm G. Haywood (see Annex ..).

(b) The following must be noted in addition.

The name at the top of the story is Alberto, not Juan Enrique.

It has been impossible to ascertain the existence of the Marcelo T. de Alvear Geopolitical Research Center.

The presumed author is not the advisor of this nonexistent center or of any other center, seminar, etc., public or private. Since his retirement from active duty (1968), he has been president of the Argentine Strategic Studies and International Relations Institute (a foundation with corporation status) and managing editor of the magazine ESTRATEGIA, the publicity organ of that institute.

The way this presumed speech reads has nothing in common with the style or the respectful terms which he always used in his writings, even in cases involving debates.

The author or authors of the story are not familiar with the positions adopted by the presumed speaker on various events in our country, particularly during the episodes that took place in our armed forces between the "Blues" and the "Colorados," events which are ancient history now.

There is no reference whatsoever in newspapers, magazines, etc., before or after 4 May, providing any information on the meeting at the Marcelo T. de Alvear Center or, ultimately, what was supposed to have been said there. It is really hard to believe that our well-informed media did not report

that speech in view of its content and the high and responsible level of its audience. It was known apparently only to the agents of the "black hand" who moreover must have had sophisticated recording equipment in the style of James Bond.

V. Conclusions

But beyond the anecdotic aspects of this episode--which may be unpleasant to those who were involved there--we believe that it is worthwhile to emphasize the following.

1. The apocryphal address contains concepts that are aggravating to the government and some officials of Paraguay. If the story were to be true, a strong reaction from those involved would have been justified. But the insults were of such a nature and were so alien to the author who is credited with them that doubt must have arisen in Asuncion. If that had happened, a simple inquiry would have brought out the truth about this entire episode. We would like to believe that this was the attitude adopted in view of the "newsmen" who came to our editorial offices and the subsequent intervention by Adm Guillermo Haywood.
2. In view of what happened, there is no doubt that there are interests which are trying to disturb, obstruct, or chill relations between Argentina and Paraguay and which must not be dismissed lightly. A real "mafia" which operates in the style of the "black hand" and which, in this case, used an apocryphal document that was cooked up in a crude and gross manner. It might be very convenient for those who claimed to be surprised in terms of their good faith and at the same time aggravated to investigate the origin and manner in which the story reached them and to look into the possible identity of the authors and their intentions. This is important not for the satisfaction of those who were affected on the Argentine side but to prevent other attempts, although the same means might not be used again.
3. It is also a good idea to stress the need for intensive cooperation between Argentina and Paraguay. We have said repeatedly that this neighbor, just like Bolivia and Paraguay, must get preferred treatment. The opportunity seems ideal for us to get down to specifics now with Asuncion. In this sense, cooperation, understanding, and mutual interest go beyond Yacyreta. Let us remember Corpus; navigation on the Paraguay and Parana rivers; the conversation between Ugarte Centurion and Martinez de Hoz which can and must be suitably expanded. On these important issues, we must note that the circumstances are adequate for agreeing on "a package," including all of the pending issues, as well as others, that could conveniently be put together in order to agree on the respective solutions within an overall accord covering at least a period of ten years. It is probable that other negative acts, indecisions, misunderstandings, and delaying action in the bureaucracy and the always possible action of troublemakers would thus vanish.

This will require a broad, sincere, and open dialogue on both sides and for Argentina in particular it will require very special responsibility. The

adoption of a political decision as well as the consummation of a national power, which gives us real material and spiritual capacity, so as to come to the assistance of Paraguay in an attitude of true and frank brotherly cooperation.

Annexes

A. Annex 1. Communiqué from Paraguayan Foreign Office Opting for Trace II-A and Asking Compensation for Its Flooded Territory (31 May 1979)

1. The government of the Republic of Paraguay confirms its desire to carry out the projects for the hydroelectric development of the Yacyretá.
2. The reduction of the floodable surface on national territory has always been a main concern and a constant and manifest condition in the Paraguayan concept on the project, thus preventing it from becoming excessive, unnecessary, and harmful due to the ecological damage it may cause.
3. Consequently, the government of the Republic of Paraguay accepts the Trace, labeled II-A, drafted by the Harza-Lohmeyer consultants which--in accordance with the opinion of those consultants--is feasible. In addition it is necessary before that to agree on compensation on account of the difference in the land areas flooded in either territory.
4. The government of the Republic of Paraguay confirms its desire that these projects be financed with the participation of the IDB and the IBERD and is prepared to offer its cooperation in order to accomplish this financing.

B. Annex 2. Communiqué Delivered by Argentine Foreign Office Containing Background of Yacyretá Issue, Line Layouts, and Inconveniences of Trace II-A (31 May 1979)

1. Technical studies were started in 1972 to determine the characteristics of the Yacyretá Project which made it possible to develop relatively broad knowledge on the several variants presented in order to select the line layout for said project.

On 2 March 1976, the consultants called attention to the fact that the line layout considered in the Yacyretá Treaty (called Trace II) involved serious inconveniences. In its report on that date, the consultants emphatically recommended that this Trace II be straightened [rectified] in order to increase the degree of safety for the project and calm conditions for the future.

2. On 24 April 1977, after having submitted the question to both governments, the latter decided to sign a Reversion Note Accord establishing the final outline for the project (called Trace III).



3. At the same time, the undersecretary of energy of Argentina provided the ministers and officials of the Paraguayan government with an explanation on the bases of the economic evaluation of the project, its integration into the Argentine energy development schedule, and the broad outlines of the financing setup which Argentina proposed to adopt for said project.

4. On the basis of the accord mentioned in (2), the governments of Argentina and Paraguay negotiated loan assistance from the World Bank and the International Development Bank for the Yacyreta Project.

5. In August 1977, the Argentine undersecretary of energy presented an extensive technical, economic, and financial report on the project before those financing agencies in Washington. To make sure that the two governments would be equally represented, the mission included two Paraguayan directors of the Yacyreta Binational Agency. The seriousness and interest with which these financing organizations were prepared to consider the project was demonstrated on that occasion.

6. Between the end of 1977 and the middle of 1978, the two banks then in succession, as a result of the above-mentioned report, sent to Argentina and Paraguay three combined missions to undertake an in-depth evaluation of the project.

7. August 1978, the Argentine and Paraguayan authorities concerned with Yacyreta decided to visit various countries in order to get financing pledges from private banks and suppliers; they always presented the project on the basis of the study approved by both governments, that is to say, on the basis of Trace III.

8. In an almost unprecedented move, the Inter-American Development Bank and World Bank decided to emphasize the seriousness of the project by sending their own officials to accompany the Yacyreta authorities on their above-mentioned trip.

9. As a result of that trip, financing was obtained under exceptional conditions for the Yacyreta Project, both as regards the term and the interest rates.

10. On the basis of the presentations made by both governments, the Inter-American Development Bank in December 1978 approved a loan of \$210 million to be transacted simultaneously with another similar loan being negotiated with the World Bank. During the negotiations with the Inter-American Development Bank moreover the latter also pledged supplementary financing for the project in the amount of an additional \$200 million.

11. In March 1979, the World Bank, which continued with the internal analysis of the project on the basis of the layout agreed upon, summoned the authorities from the two countries to negotiate the corresponding loan; on that occasion it pledged its final approval by the board of directors before the end of that bank's fiscal year, during the month of June.

12. In these negotiations, Paraguay formally expressed to these two international financing organizations its desire to conduct an additional study in order to analyze the possible reduction of the area to be flooded on its territory.

In view of that, the World Bank indicated that it would adopt its final decision after the two countries had notified it about their final position with respect to the line layout agreed upon up to that moment.

13. On that occasion, carrying out its financial timetable, Yacyreta obtained loan offers from private banks in the amount of \$200 million under very advantageous conditions.

14. In spite of the fact that the characteristics of the project had already been spelled out by virtue of the agreement signed in 1977, in response to the presentation by the government of Paraguay, asking the implementation of an additional study to analyze the possible reduction of the floodable area in its territory, the government of Argentina on 16 April 1979 agreed that this study be made. For this purpose, both parties issued the necessary service order to the "Harza y Consorciados" consultant firm, spelling out the following basic directives:

"Study the reduction of the floodable surface on Paraguayan territory to the greatest possible extent;

"Preserve the general degree of safety inherent in the project;

"Maintain the kind of economic feasibility that would facilitate the project's financing by the international organizations."

15. On the 19th of the month, the consultant firm submitted the results of its study to the two governments. The study pointed up the possibility of reducing the floodable surface on Paraguayan territory to 851 square kilometers by adhering to Trace III. That reduction is feasible on the basis of higher costs but without changing the project timetable and without harming its safety, the latter factor being essential in project execution.

In that study, the consultant firm also analyzed the so-called Trace II-A, very similar to the earlier Trace II, involving an additional investment of about \$250 million and not offering sufficient construction safety. Besides, since the analysis made on said Trace II-A is preliminary, all of the engineering studies would have to be made all over again in order to be able to evaluate it correctly and that would mean another delay of 12-18 months. Besides, it would be necessary to do the economic and financial evaluation of the project all over again.

On the basis of the results of the above-mentioned study, whose conclusions--with additional data--confirm the greater convenience of the current Trace III over any other alternative, the Argentine government decided to approve it.

The government of Paraguay on the other hand on the 30th announced its decision to pick the Trace called II-A. This consequently would make it necessary to defer the execution of the project in order to complete the above-mentioned technical studies and once again to start negotiations on the necessary loans with the Inter-American Development Bank, the World Bank, the private banks and the suppliers; this was due to the fact that the terms previously considered were based on the project submitted jointly by both government, using Trace III.

In conclusion:

(a) The government of the Argentine republic has provided much evidence of its desire to go ahead with the Yacyreta Project which, in addition to providing general electric power using an abundant renewable source, also includes valuable projects for the improvement of navigation, irrigation, roads, and an ample economic and social infrastructure benefiting both countries.

(b) The government of the Argentine republic has always been aware of the Paraguayan concern with reducing the floodable surface on the territory of that country. It therefore went along with the decision to conduct the corresponding studies which, as a result, pointed up the possibility of reducing that surface to 251 square kilometers through the proper rectifications in Trace III.

(c) Trace II-A--which the Paraguayan government has now picked--implies the construction of a dam in unsafe terrain, with greater difficulties and risks during the period of construction due to the extraordinary high waters. All of this would lead to unforeseeable delays in the project, with the corresponding uncertainty as to its final cost. Besides, the maintenance of the dam, which is vital for its safety, would be more difficult throughout its lifetime.

This Paraguayan proposition implies the implementation of new technical, financial, and economic studies on the project which would involve a delay of 12-18 months.

(d) The Paraguayan decision furthermore implies the impossibility of having the Yacyreta Project financed and built with the participation of the Inter-American Development Bank and the World Bank within the timetables provided and it therefore means its postponement.

(e) If Yacyreta were to be postponed for the reasons indicated in the preceding point, it would be necessary immediately to contemplate the revision of the Argentine energy plan in order to include other projects which would make it possible at the present time to cope with the rise in electric power demands. These projects exist within the list of electrical projects evaluated within the National Equipment Plan so that the supply of energy to various markets throughout the country would be adequately secured.

C. Annex 3. Apocryphal Speech Attributed to Div Gen Juan E. Guglielmelli (Ret.)

"Speech delivered by Gen Alberto Guglielmelli, managing editor, *ESTRATEGIA*, geopolitical studies magazine, and advisor to the Marcelo T. de Alvear Geopolitical Research Center, during the meeting held last Friday, 4 May 1979, that is, the monthly meeting of that center's members. (The meeting was attended by about 40 persons, both civilians and military, with the most outstanding individuals being the minister of interior of the Argentine republic, Gen Albano Harguindeguy and RAdm Isaac F. Rojas.)"

Your Excellency, Interior Minister, Gen Albano Harguindeguy, RAdm Isaac Francisco Rojas, a comrade in so many fights, comrades from the services present, ladies and gentlemen: unaccustomed as I am to speaking in public, perhaps because the Good Lord did not endow me with faculties for that, I therefore have few opportunities to engage in this kind of activity. I believe that this is the ideal moment for bringing up a topic which right now must hold and which also deserves the utmost attention on the part of all Argentines and especially the national authorities. This is why I understand that the presence of the minister of the interior, representing the national executive branch, as well as the glorious Argentine armed forces, make the presentation of this issue even more timely and we now, more than ever before, want to try to make everyone aware of its importance and gravity. The topic --and I am getting right to the point because I want to be as brief as possible--directly involves Argentine sovereignty to a proportion and with projections that are much vaster, in my judgment, than any other similar event which took place in this century, even more so than the problem of the Beage Canal. I am specifically talking about the attack upon the country's sovereignty as a consequence of the Paraguayan, Brazilian-inspired maneuver with respect to the Yacy-reta-Apipe Dam. Without the slightest fear of excessively magnifying these events, I certainly would dare say that Argentina was betrayed concerning the real plans for the implementation of this project, by the Paraguayans. Words often are not enough to provide proper satisfaction for such an offense and, when a country wants to save its national honor, the only restitution involves action.

Rear Admiral Rojas, who is present here, has been saying for more than 20 years that Argentina's geopolitical future, as a big power in South America, would mainly be the results of its control over its major inland rivers, such as the Parana, the Paraguay, the Pilcomaya, etc., and its zones of influence, which in practice are frontier areas with Brazil and Paraguay.

Rear Admiral Rojas emphasized this time and again and the imperialist view which Brazil had of the problem--as well as its intention of exerting influence in that decisive zone at any price--would mean that Argentine interests in this decisive zone would sooner or later have to clash with those of its neighbors.

Many of us--and I must admit that I include myself among them--often think that, although the statements by Rear Admiral Rojas initially were correct, they might involve a certain overestimation of the circumstances and that the problem in practice was less serious than it seemed. I must however admit--and I pray to God that it is not too late--that the problem is enormously serious and that a large portion of Argentina's future as a power will depend on it.

Paraguay has betrayed us--basically and in the manner the proceedings were handled.

It made us believe that the construction of the Yacyretá-Apipe Dam was absolutely indispensable for them and it finally saw to it that Argentina would drop other alternate projects and plunge fully into this binational effort. Of course, the Paraguayans were not acting alone, nor could they do so. Behind their top leaders, with decision-making capacity on these issues, Brazilian diplomacy moved skillfully, distributing money and gifts among its stooges in Paraguay. Little by little, year after year, they developed an excellent publicity campaign through which they even made us see that the hydroelectric project with Argentina would be an important alternative for Paraguay in the classical swing policy which it pursues towards its big neighbors.

Slowly and in an imperceptible form, Argentina was pushed into abandoning any other project that would signify an alternative to development or geopolitical presence in the area, other than the Yacyretá-Apipe Dam.

The project's characteristics and the fact that Paraguay was a partner who only shared in the profits, made us think that the enormous Paraguayan interest in the project was justified by this possibility for reliable growth. And after 6 years, when Argentina had already contributed 37 percent of the total project financing and when the framework of foreign financing obtained by Argentina--which is the country that got the loans--cannot be further improved, or, more precisely, some of its top leaders reveal their real intentions and come out with the absurd arguments about the larger portion of flooded territory, although that was already known in general outline from the moment the treaty was signed.

However, to stop work, to terrorize the project, to destroy the foreign financing portfolio, and to harm Argentina's image abroad, by introducing this clownish joke of a new line layout, there could be no better moment. Shortly after the approval of a line of credit that was able to open the money spigot for financing the entire project, Paraguay now comes out with the fallacy of a modification in the project line layout.

And to think that there are still some people who believe that this could be imputed to the stupidity of the Paraguayans, but not to their bad faith.

This is a moment when Argentina cannot turn back in any way whatsoever because Argentina's full geopolitical weight in this area presently rests on the construction of the Yacy-reta-Apipe project.

One cannot even think that this would be a maneuver aimed at deriving some contingent advantages for Paraguay, nor could one assume that this would be a way to exert pressure on Argentina to come to terms on the matter of Corpus, which could signify the acceptance of Brazilian terms. There is more to it than that. The idea, purely and simply, ladies and gentlemen, is to refuse in practice to build Yacy-reta-Apipe and to leave Argentina geopolitically high and dry with a deficit of many millions of dollars due to this project and, although all of this may amount to rather little, with a hydroelectric development delay in the area amounting to about 10 years, something that would apply even if the project were to be completed in the end although with much delay in the timetable.

Now we know that the objective in the end was this: we know that it is a part of a demoniacal scheme hatched by the followers of Travassos in the Brazilian army, implemented in practice by its stooges holding key posts in the administration in Asuncion.

We know--and the United States magazines that published the story after a real struggle (sic)--that, ever since the contracts for the hydroelectric power projects were signed between Paraguay and Brazil and between Paraguay and Argentina, Brazil has been handing out about \$200 million in bribes among Paraguayan leaders in order to impose its policy and to make sure that the decisions that were most suitable to its interests would actually be made.

It is to the credit of a man such as engineer Enzo Debernardi, heading the electric power industry and its plants in Paraguay, that Brazil is now in a position to make sure that all of the energy which Paraguay is legally entitled to under the Itaipu Treaty will be sold to Brazil.

Since the signing of the Itaipu Treaty and until now, engineer Debernardi--who, by some odd coincidence, is the highest Paraguayan executive at Itaipu and who at the same time is in charge of that country's National Electric Power Administration--has been working very hard to make sure that the price of electricity in Paraguay would be one of the highest in the world so that, preventing the settlement of industrial establishments in this fashion, by the time Itaipu does produce energy, that energy would have to be sold to Brazil because Paraguay would not know what to do with it.

Argentina must, by any means whatsoever, force the construction of Yacy-reta-Apipe because a large part of the accelerated development of this important part of Argentina as well as its forceful presence in terms of national greatness will depend on that. From the geopolitical viewpoint, the population of Ituzaingo, located on the Argentine side of the dam, and the construction of the lock which will permit boats of up to 12 feet to navigate here,

would be the guarantees that Argentina would have in order to slow down Brazil's geopolitical advance into this area. If, on the other hand, the project is delayed or, which is even worse, if it is never built, that geopolitical flank, which is possibly the most important one for Argentina, over the next 50 years, would remain completely unprotected and nobody would stop the economic-cultural and possibly also military push of Brazil and its ally Paraguay.

Ladies and gentlemen, it is the responsibility of all Argentines to prevent this from happening but is particularly the responsibility of the government and the armed forces of the nation immediately to draft an energetic deterrence policy toward Paraguay. Only with speed and much energy can we still rescue what remains to be saved and only in this way will we prevent what later on may turn into a major affront to Argentina's sovereignty.

D. Annex 4. Letter from Gen Juan E. Guaglianelli (ret.) to Paraguayan RAdm Guillermo Haywood, Denying Having Made the Speech Attributed to Him

Buenos Aires, 25 June 1979

RAdm Guillermo Haywood

Paraguayan Delegate to the Mixed Argentine-Paraguayan Paraná River Commission

Dear Sir:

I have the pleasure of writing to you for the purpose of confirming our telephone conversation on Friday, the 22nd, concerning a presumed lecture which I supposedly delivered on 5 May, at a place called the "Marcelo T. de Alvear" Geopolitical Institute, dealing with the topic of the Yacyretá Dam and tied in with the new line layouts proposed by your country's government.

In this sense I repeat to you the following:

1. I do not know the institute mentioned.
2. During the years I have been devoting to geopolitical topics, I never delivered any lecture connected with Yacyretá, nor have I even incidentally touched in my speeches on that topic. The same is true of my writings as one can see in the collection of the magazine ESTRATEGIA.
3. On the date I was supposed to have delivered the lecture, I was in the city of Corrientes, as part of a trip I made on 4 May at noon, returning on the morning of 7 May from Resistencia.
4. Adm Isaac F. Rojas and Div Gen Albano Harguindeguy were never present during any of my lectures, nor was the undersigned ever present at any of the lectures delivered by the general officers mentioned above.

In view of the reasons stated, it is very probable that the report on my presumed lecture was the result of misinformation or "slanted information" with intentions that I do not wish to describe.

Concerning Yacyreta I would like to express my desire that both governments in the best possible manner and as soon as possible come to an agreement on this project since its delay or abandonment would constitute an absurd historical damage only to the peoples of Paraguay and Argentina.

I would also be grateful to you if you were to pass these remarks on to anyone you might think suitable but in particular to the person or persons who, in their good faith, were taken by surprise by a report that is totally untrue.

This is a good opportunity to express to you once again my highest esteem along with my best personal wishes.

(Signed) Juan Enrique Guglielmelli
Div Gen (Ret.)

FOOTNOTES

1. According to these newspaper reports, the following aspects stand out: Encarnacion-Posadas Bridge, financed by Argentina at a cost of \$70 million, starting in March 1979; advantages for three sectors of Paraguayan commerce (lumber, fabrics, clothing); advantages for a free warehouse facility at the lighter station; advanced talks on the determination of a free-trade zone and facilities for petroleum byproducts, especially gas-oil and fuel-oil.

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FRAGA APPLIES GEOPOLITICAL PRINCIPLES TO PRESENT SITUATION

Buenos Aires ESTRATEGIA in Spanish No. 18, May-Jun 79 pp. 21-25

[Article by RAdm Jorge A. Fraga (Ret.): "Argentina and the Principles of Geopolitics"]

[Text] Geopolitics, a branch of political science, which studies the influence of geographic factors on the evolution of the world and the states, is a valuable help in the political leadership of a country or a group of countries.

Various scholars have been laying down the so-called principles of geopolitics, axioms that show the so-called influence from geographic features upon the life of the various countries.

Although technological and scientific advances in certain cases led to a decline in the influence of the geographic factors, most of the principles retain sufficient validity so that it is interesting to analyze their current applicability.

Although the geopolitical study of a country requires an in-depth analysis which cannot be accomplished rapidly or easily, it is interesting to note that many of those axioms retain their effectiveness and an examination of those axioms can demonstrate in broad outline some of the most important aspects to be considered in the development of a national strategy.

This is why, in this essay, taking up some of said principles stated by various authors, we are going to list them and we are going to provide the foundation for the reflections which their application to Argentina leads us to.

1. Principle: A state is geopolitically mature when it has established "a reason for existence" which is so totally adopted by the peoples of its various parts that they accept, without problems, the inclusion of their part into the state.

Reflection: although there are no separatist peoples or systems in Argentina, the extensive internal struggles are proof of the absence of geopolitical

maturity in the country's past, extending down to our days, when--although nobody debates the inclusion of any region as part of the state--we must ask ourselves whether there is really a "reason for existence" which is strongly incorporated into the Argentine mentality. If this is not so, it would be a fundamental task to see to it that it becomes a part of national sentiments.

2. Principle: the national government has two components: "the inventory and the strategy," in other words, what it has and what it does with it.

Reflection: what we have constitutes the so-called national potential which, when it is immediately available, is called national power.

We all know about the country's great potential but we also know that much remains to be done to transform it into power. This is true of the mining industry, hydrocarbons, ocean resources, etc. As we create the possibility for the prompt readiness of such resources, the nation will be able to develop a strategy more in line with the necessities of the moment and its significant future.

3. Principle: every state capable of existing has the impetus to extend its space.

Reflection: this principle has not revealed any applicability to Argentina. On the contrary, the country's past record seems to have revealed great neglect for Argentine space. The result is plain for anyone to see. Of the approximately 6 million square kilometers of the vice-kingdom of the River Plate, only less than 3 million are left to us. The opposite is true of our neighbors Brazil and Chile and that certainly is food for thought.

4. Principle: when states that tend to expand create "growth points" in alien territory, they are then in danger of being annexed.

Reflection: this principle should provide motivation for an adequate and intelligent frontier policy, particularly in the northeast area where Brazilian population pressure is making itself felt.

5. Principle: the major civilizations developed around the 40 degree parallel and fundamentally in the Northern Hemisphere. The intellectual and political leadership is to be found at average temperatures between 5 and 15 degrees Centigrade.

Reflection: Argentina is situated in the Southern Hemisphere, the maritime hemisphere, which only contains 20 percent of the planet's land. This therefore is an area where the 40 degree parallel runs south of the Negro River. But since our hemisphere is colder than the Northern Hemisphere, the climate, similar to the one that motivated the development of past civilizations here, is to be found in the south, on the level of Mesopotamia, the River Plate Basin, and the southern part of Brazil.

In those areas therefore we can expect to see the vast human settlements and then constitute the so-called major metropolitan areas with heavy population density. On the other hand, in the rest of the country, in Patagonia and in the Cordillera foothills, living conditions are tough by comparison.

6. Principle: the mountains serve to separate the colonizing currents.

States based in the mountains are generally independent, separatist, and traditionalist. States "astride" of the mountain usually are divided into distinct characteristics on either side.

Reflection: the principal case, the case of mountain states, involves Switzerland, Tibet, and the Basque countries. It does not generally apply to Argentina because the latter consists of the Cordillera foothills and the plains although this can motivate a reflection on the eminently traditionalist character of the Argentine northwest, particularly Salta.

Regarding countries "astride" mountains, the axiom takes into consideration the political division with Chile based on "the highest mountain peaks" rather than the line claimed by our neighbors based on the "divide."

7. Principle: forests serve as buffers for colonialist or civilizing currents.

Reflection: this is not the case of Argentina, in general, either, although it may be true of Brazil, in the case of the Amazon or Mato Grosso. We can however point out, in support of this line of thinking, that the conquest of Chaco around 1884 marked the last real integration of national territory, even after that of Patagonia.

8. Principle: countries with vast and fertile plains develop rapidly and accept political innovations but offer little resistance to the invader; they tend to form bigger political units and they finally wind up renouncing their own idiosyncrasies in the face of the presence of the foreigner.

Reflection: this principle explains the high degree of assimilation and culture of the inhabitants of the wet prairie compared to other countries on the continent. However, the inconvenience of the passivity mentioned earlier can be the explanation for the famous "take it easy," perhaps one of the reasons why Argentina was picked for a subversive effort aimed at the seizure of power which, by virtue of the remaining living conditions, would actually seem to be incongruent.

9. Principle: the waterways link peoples especially if they are radial; parallel ones, on the other hand, do not have the same results.

Reflection: a case of radial rivers is to be found in France. In Argentina, only the River Plate Basin roughly meets that condition. In the rest of the country, the rivers generally run parallel.

Nevertheless, the railroad not built by the British to bring the products of the land to the port of Buenos Aires had to supplement the action of the rivers and was one of the causes not only for national integrity but also for excessive development in the Buenos Aires area.

10. Principle: markedly agricultural and livestock countries generally are peaceful countries.

Satisfied nations are peaceful and they adhere to the idea of unalterable peace and they neglect their war preparations.

Agriculture and animal husbandry favor a sedentary and peaceful life.

Exuberant lands which produce fruits almost without labor do not produce tough and self-assured people.

God's scourges and punishments stimulate the development of intelligence, will power, and the formation of strong, healthy, and resistant peoples and states.

Reflections: this entire series of axioms seems to apply very much to Argentina whose main source of foreign exchange continues to come from agriculture and animal husbandry and whose exuberance and satisfaction make it inclined toward peace and the good life.

Since the end of last century, Argentina has enjoyed uninterrupted peace; combined with a high immigration rate, which in many cases has not yet oriented its feelings toward the country, this promotes a natural inclination toward peaceful solutions.

Nevertheless, behind this apparent attitude of indifference, there is a profoundly nationalist sentiment based precisely on a way of existence, on a quality of Argentine life, both of which perhaps are unique in the world.

11. Principle: the sea is the most important geopolitical factors. Peoples move toward the sea when their soil is not sufficiently fertile. Rich countries without the mercantile spirit do not make sailors.

Reflection: the fertility of the wet prairie, capable of supporting a population much greater than the present one, worked against Argentina's maritime awareness; so far, Argentina has not felt the need to move toward the sea and therefore it has not been paying proper attention to its tremendous wealth which also includes communication and commerce.

12. Principle: geographic conditions, distances, and relative positions determine aeronautical development.

Reflection: our previously described boundary situation requires tremendous aviation development to enable us to break out of our isolation.

As a consequence of the principles stated and the resolutions deriving from them, we can present the following conclusions:

1. We require a permanent and continued action aimed at cementing greater national awareness, "the reason for existence" which will get the people to support common objectives.
2. We need an adequate immigration policy which will help us fill the vast empty spaces that Argentina offers to an overpopulated world.
3. We absolutely need a suitable frontier policy which will prevent the formation of "growth points" by neighboring countries with a high population growth rate.
4. To overcome the natural inclination to settle around the port of Buenos Aires and move into the wet prairie, we need a promotion drive and decentralization measures, such as those instituted by other countries.
5. Although the degree of general culture of the Argentine people can be considered high, when compared to other Latin American countries, the natural wealth of their habitat gives them a certain apparent indolence and political scepticism which it would be a good idea to modify through incentives providing motivation for their patriotic feelings and promoting greater activities.
6. Through adequate action by the government and private organizations it is necessary to promote the creation of an adequate awareness of the sea which will convince the population of the need to work toward the sea which in the future will provide the world with the most important elements for its survival; that is, food and energy.

In summary: the principles of geopolitics tell us that we should:

1. Vigorously promote patriotism and national awareness;
2. Develop the national potential;
3. Fill our empty spaces;
4. Populate and protect our frontiers;
5. Deconcentrate Greater Buenos Aires;
6. Fight against passivity and political scepticism;
7. Foment a maritime consciousness;
8. Achieve a high degree of aeronautical development.

Geopolitically speaking, Argentina is a huge empty area which during the 21st century will inevitably be filled up: if we do not do that ourselves, then others will try to do it. This is why, in addition to what we said above and, as a purely personal note, I would add as point 3. "develop the elements of deterrence which prevent others from making decisions about our affairs without adequate and properly considered intervention by Argentina."

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MISIONES: EXAMPLE OF FRONTIER DEVELOPMENT

Buenos Aires ESTRATEGIA in Spanish No. 18, May-Jun 79 pp. 27-29, 41-47

[Article by Julio Cesar Perie: "Frontiers and National Development--the Case of Misiones"]

[Excerpts] The points I am presenting in this essay can, by expansion, be applied to the remaining ones (although they are taken up in an effort to visualize the Misiones frontier problem).

There are many definitions of the term "frontier" but, for the case we are concerned with here, the definition that has been in force is the one that asserts that it constitutes the geometrical place determined by the balance of national spaces, that is to say, where a country can stop pressure from another country.

To understand the main directions characterizing the current national frontier at Misiones, we must go into an in-depth geopolitical analysis of the region and to do that it seemed useful to me to divide my presentation into seven main chapters, that is:

- I. Description of Misiones in 1979 and Its Relative Position in the Country and in the River Plate Basin; Graph A₁.
- II. Review of Historical Facts Behind the Current Situation in Misiones; Graph A₂.
- III. Colonization of Misiones from 1880 (in the Last Century) until Now.
- IV. Prospects of Misiones in 1960 and Planning for 1980; Graph B₁.
- V. Current Situation of Misiones, Comparison to Planning Projections.
- VI. Visualization of Misiones around the Year 2000 and Its Relative Position in the River Plate Basin.
- VII. Correlation between Loss or Weakness along Frontier and National Underdevelopment.

I. Misiones in 1979--Its Relative Position in the Country and in the River Plate Basin

To summarize the description of Misiones and its relative position in the River Plate Basin, it seemed a good idea to me to use some indicators involving space, population, and production.

i. Space:

The surface of Misiones is 30,000 square kilometers, representing a little more than 1 percent of the national surface area--excluding the Antarctic sector--and 0.8 percent, if we include it. The comparison was made by computing a figure of 2.8 million square kilometers for the first index and 4 million square kilometers for the second one.

Next, 95 percent of the borders of Misiones are international borders with Paraguay and Brazil. Only 120 kilometers of length account for the inter-provincial border with Corrientes.

The surface of Misiones is a little less than 1 percent of the surface of the River Plate Basin (which is one of the world's biggest hydrographic basins with its 3.2 million square kilometers). See Graph A₁.

The River Plate Basin has the shape of a trapezoid whose north-south axis is 2,500 kilometers long, extending from 15 degrees to 37 degrees South Latitude, that is to say, from the plateau of Matto Grosso to the tributaries of the Salado River. The horizontal axis is 2,000 kilometers long and extends from about 100 kilometers away from the Atlantic Ocean to the line running into the Bolivian Plateau along the Cordoba and San Luis mountain ranges, all the way to the Tandil Mountain Ranges. The east-west axis coincides with the arc of the Tropic of Capricorn.

Compared to the surface of the southern states of Brazil, Rio Grande, Santa Catarina, and Parana (1.3 million square kilometers), Misiones accounts for about 2.5 percent.

ii. Population

According to the 1970 census, Misiones had a population of 448,954.

According to the probable rate contained in the Lattes Muller Report, prepared by the secretariat of planning and control, the following data were taken for population extrapolation:

1980--574,000 inhabitants,
1990--760,000 inhabitants,
2000--930,000 inhabitants.

The population of Misiones in 1970 accounted for 2 percent of the nation's population.

The Misiones population growth curve reveals unique characteristics: from the expulsion of the Jesuits (1767) until the year 1870 (toward the end of the War of the Triple Alliance), it dropped from 50,000 to 7,000. It grew slowly until 1920 and between 1930 and 1960 it grew at an annual rate of 3.2 percent. See Graph B₁.

During that period of time, the growth rate of Misiones was double the national growth rate.

Looking at the population of the River Plate Basin (United Nations data), which came to 53 million in 1970 and whose extrapolation for 1980 would give us more than 70 million, the population of Misiones represents 0.8 percent.

Concerning the border states of Brazil and Paraguay, the situation is as follows: Misiones 2.3 percent; Paraguay 11.5 percent; States of Rio Grande, Parana, and S. Catarina 86.2 percent.

iii. Production:

Considering the differences in quantitative reports concerning the added value of the countries and regions involved, we will take those contained in the official report for the River Plate Basin for 1970 in order to coordinate the figures and make them comparative.

GNP	\$18 billion
Per-capita growth output	\$700
Per-capita growth output, Misiones	\$350
Gross output, Misiones	\$180 million.

In terms of its output, Misiones accounts for 1 percent of the country (that is to say, half of what it represents in population terms) and if we make that comparison to the frontier states of Brazil, we would get a share of 2.2 percent for Misiones. If we include Paraguay in that comparison, then the proportion drops down to 2 percent.

The significance of Misiones (the real center of the River Plate Basin) compared to the neighboring countries, especially Brazil, fluctuates around 2 percent for the various indicators such as space, population, and output. Although this significance is rather small by itself, it grows quickly if we extrapolate the tendencies as a function of the various rates we presented briefly here. Naturally, history is quite familiar with this situation.

V. Contemporary Misiones -- Current Situation

The interruption of Dr Frondizi's administration resulted not only in the cancellation of the oil contracts, which delayed the development of Patagonia by 20 years, our petrochemistry, and the multiple activities that would have sprung from the influx of extraction operations, as we found during the years when the contract companies were active;

it also signified the paralysis of public investment strategies and, what is even worse, the failure of hundreds of industrial establishments and undertakings that were abandoned throughout the country. By way of example I might mention the Misiones Paper Project which had to put up with more than 12 years of comings and goings before it could start its smokestacks up and begin to manufacture cellulose and paper. This project (important because it makes it possible to replace imported items) is likewise significant because it constituted and still constitutes the only suitable way for regulating prices in the raw material provided by the settlers who until then held a monopoly position concerning the demand. The Piray-Guazu Project had even less luck. The same thing happened with the investment in highways which was paralyzed.

The crisis gradually spread to all of the dynamic sectors of Misiones. Not only were no new industrial establishments founded but many simply closed their doors. For example, Citricola Garupa, the El Soberbio distillery of essences [gasoline refinery], hundreds of saw mills, and plywood factories were also closed down. This resulted in the following situation:

- i. Population: instead of the 800,000 inhabitants who had been predicted in the Misiones plan for 1980, we now have 560,000, in other words, 20 percent less than estimated.
- ii. Output: instead of the \$400 million in anticipated output (according to plan estimates), we only attained 40 percent or \$180 million; that is 60 percent less than had been programmed in 1962 for the year 1980.
- iii. Income: instead of a per-capita income increase, there has been a decline as indicated by the fact that the figure remained at \$350 (in spite of the fact that the value of money had declined) and this drop is more than 30 percent as compared to the planning figures (which were supposed to have been \$500 in 1980).
- iv. Other consequences: the decline in the culture level of the population of Misiones resulting from the removal of human resources, people who could read and write, professional men, engineers, and skilled laborers who left looking for better job opportunities, plus the influx of marginal human resources--almost always intruders--who raised the index of foreigners in the neighboring departments, such as Gral. Belgrano and San Pedro.
- v. The underdevelopment indicators also declined considerably, such as the literacy rate, the school dropout rate, the child mortality rate, food deficiencies, etc. According to a report prepared by the Misiones planning secretariat, 2 years ago, only 30 percent of the population in the province had adequate food.
- vi. There has also been a negative change in the land tenancy system as a result of the lack of organic and rational policies to be adopted, as in the case of forestry policy, which caused a shift of settlers whose place was taken by the seasonal laborers of the big companies (many of them from many

different nations); the big companies had gone into the forest preserves merely because they were attracted by the tax exemptions; this had led to the following:

- a. The uprooting of the settlers who preferred to leave due to the lack of profitability and protection for their activities, selling their properties to be taken over by "the companies";
- b. Ecological aggression expressed by the single-cultivation system of pines which is turning Misiones into a dangerous matchbox as we learned during the recent droughts.

This situation of stagnation or decline in Misiones is counterbalanced by tremendous growth in Brazil and even in Paraguay in an area where hydroelectric projects are being carried out, were carried out, or are planned; the installed capacity of those projects would exceed 40 million kilowatts and that is more than double the total installed capacity in the country. These undertakings are: Itaipu, Corpus, Yacireta, Acaray, Libertad, Garabi, Roncador, Piray Guazu and other smaller ones in Misiones and Paraguay.

vii. Various growth rates:

A look at various growth rates perhaps will be most helpful in understanding the way the nation has been weakened along its northeastern frontier:

Brazil's population growth rate (last three decades)	3.0% per year
Paraguay's population growth rate (last three decades)	3.1% per year
Misiones population growth rate (last two decades)	1.9% per year
Argentina's population growth rate (last two decades)	1.5% per year
Brazilian gross output increase (last two decades)	5.0%
Paraguayan gross output increase (last decade)	6.0%
Argentine gross output increase (last decade)	0.2%
Misiones gross output increase (last decade)	0.3%

In this rather unique corner of the country, where the world's biggest hydroelectric power generation potential is located, in the very center of the River Plate Basin, Misiones is getting progressively weaker as a result of national stagnation. On the other hand, something entirely different is happening in the countries of our neighbors. The serious future situation can be detected from the extrapolation of tendencies in Misiones and the rest of the area by the year 2000.

VI. Visualization of Misiones in 2000, Its Situation in River Plate Basin

i. Population:

The population of Misiones will be 950,000.

The population of the border states of Brazil and Paraguay will be 50 million inhabitants.

This means that the relative population share of Misiones will have dropped from 2.3 percent at this time to a little more than 1.6 percent, in other words, it will lose one-third of its present strength.

ii. Output:

The situation concerning the gross output is even more serious since the rate of increase in the area we are concerned with here, regarding Brazil and Paraguay, is twice the rate of Argentina's output increase.

The pertinent extrapolations reduce the share of Misiones from 2 percent to almost 1 percent.

Can an underdeveloped national enclave continue to exist in the midst of what is bound to be--and to a certain extent already is--one of the world's most intensive growth regions?

It must be pointed out here--in order to complete the situation picture--that, in view of the territorial disputes and with the urgent need for sharing the development of Sete Quedas, Brazil militarily occupied the Paraguayan riverine zone in 1965.

If we look at the dynamics of history, the geopolitical situation has changed much since the Tordecillas Treaty, down to our day, and it is no longer precisely the northeastern border, that is, the border along Misiones, which the country holds most strongly.

The difficulties experienced in the diplomatic handling of the binational project at Yacyretá indicates that Argentina continues to grow weaker in the region and that Brazilian influence keeps growing and will be almost unstoppable when the population and economic ratio cause a reduction of 50 percent in the already very weak share of Misiones in the area.

Today Misiones represents 2 percent of the Brazilian and Paraguayan area. This share (which includes the physical, population, and production factors) will be something like 1 percent by the year 2000.

VII. Correlation between Loss or Weakness in Frontier Area and National Underdevelopment

Spain's territorial losses to England (especially during the second half of the 18th century) and its associated kingdom of Portugal were in keeping with the inequality of its potential. Spain's backwardness with respect to Great Britain explains its negotiating weakness and subjected it to military, naval, and diplomatic defeats which gravely reduced the size of the colonies from 1760 on.

This same economic and political weakness also later on weakened the position of Spain with relation to Brazil.

A quick glance at the political maps down through the centuries will show us the growth of Portugal and Brazil to the detriment of the Spanish areas or the Hispanic republics.

The roots of this situation can be found in the background history of the River Plate.

The conflict between merchants in Buenos Aires and the craftsmen and the people in the salting industry initially caused irreparable damage to relations between Buenos Aires and the interior. The suspicious attitude of Upper Peru and Paraguay were based on opposing interests which did not try to get together. We will not even mention the dismemberment of the Eastern Association since this is the clearest demonstration of the shortsightedness that prevailed in the Grand Junta soon after the moment of 1810 had gotten under way.

The struggle of the local bosses and the bloodshed during the years of anarchy were also clearly the results of economic aggression experienced by the inland states in favor of the merchants in Buenos Aires.

The rise of Rosas and, with it, the rise of the cattle ranchers and salters in the province of Buenos Aires sufficiently calmed their equals in the southern part of Santa Fe and Entre Rios but did not alter the process of absorption which increasingly rapidly modified the country's population and economic setup. This process became more accentuated as a result of the general leveling that was going on and took on almost present-day forms with investments in the railroad and port infrastructure at the end of the last century and the beginning of this century.

Looking at the scale of Argentine population distribution in terms of space for 1970, we must record that, 200 years ago, Cordoba had a greater population than Buenos Aires (city and surrounding areas) and that Misiones had the same population as Buenos Aires.

Many economic and political causes infinitely interconnected with each other were actually responsible for this accentuated process of space concentration.

We can say that, in a half-moon covering the metropolitan area, the south of Santa Fe, the center of Cordoba and Mendoza, contains 80 percent of the nation's population and almost 85 percent of its output.

The metropolitan area (capital and 19 surrounding sections) contains more than 45 percent of the population and almost 60 percent of the country's economic activities. On those 180,000 hectares, less than 0.1 thousandth of the territory, half of the country is concentrated.

This circumstance basically implies two problems of great national importance because of their magnitude and consequences.

i. The urban concentration in the metropolitan area already constitutes a problem that is almost insoluble from the viewpoint of the population's quality of life, the amount of investments necessary to meet transportation, recreation, sanitation, water supply, waste treatment, and other necessities.

This problem, already gigantic, is getting even worse since the phenomenon of concentration continues. Extrapolating the current tendencies, we get as the population figure for the metropolitan area by the year 2000 about two-thirds of the Argentine population (estimated at 35 million then). In other words, the metropolitan area will hold more than 20 million inhabitants within 20 years.

ii. The progressive impoverishment of vast national regions, which are losing their best human resources and which will find their incipient economies growing even weaker because of this phenomenon of absorption by the metropolitan area. It is possible briefly to summarize the way in which this shapes up throughout the country.

a. Inability of the northwest and the northeast to hold their active population.

b. Impossibility of bringing empty Patagonia to life.

c. Central strip continues to be tough on active population.

d. Population concentration in metropolitan area.

All of this must be seen within the context of a stagnating country, a country which keeps losing ground in the concert of nations of the world and which ever more quickly loses its role as an American protagonist.

This is a country whose share out of the world market dropped from 2.5 percent to 0.5 percent in 30 years and whose relative position regarding what might be called a ranking as a function of various development indicators (income, literacy rate, average lifetime, child mortality, technology, etc.) pushed us from sixth place to 40th place over the last 30 years.

Just two decades ago, Argentina's total gross output was equivalent to the total Brazilian gross output. In other words, Argentina's average income was almost four times the Brazilian income because the population ratio was in favor of Brazil in that proportion.

In 20 years, Brazil's per-capita gross output is [sic] 50 percent of our gross output and its population is more than four times the population of Argentina, which means that in a short time the Brazilian GNP will be twice the Argentine GNP.

By the year 2000, Brazil hopes to have a population of more than 200 million and Argentina will only have 35 million and they will be concentrated in Buenos Aires. The population ratio will be 6:1.

If we extrapolate the growth tendencies of the gross output of both of these countries, we will learn one hard lesson and that is that Argentina has become absolutely provincialized with relation to the big power that keeps growing along our border.

The weaknesses which have been leading to territorial losses from Terdeciillas until today are getting even worse and are clearly expressed:

When we recall that only 70 years ago, Argentina lost an area equivalent to the current province of Misiones due to Brazilian advance since the arbitration judgment handed down by President Cleveland made reference to "Uti Possidetis" [the user is the possessor];

When we recall that only 10 years ago, Brazil militarily occupied the zone disputed with Paraguay in the region of the Guayra Falls;

When we look at progress being made with the Itaipu Dam and the stagnation of negotiations between Argentina and Paraguay on the Yacyretá Project which was launched almost two years before the Itaipu Project and which is already more than four years behind schedule as compared to the original operating deadline which meant that the facility was to go into service around 1982;

When we note that Argentina is selling Brazil raw materials and is importing industrially processed products; when we find that, throughout Latin America, it is Brazil's industrial products that are in the lead--when we look at this entire panorama, we can conclude that the relative situation along the border will gradually get worse. We are afraid that the advance since Terdeciillas toward the West has not yet ended.

The country is ostensibly growing weaker. We are not only losing a relative share in terms of population but also in terms of the qualitative aspects of development, that is to say, the participation of science and technology in production processes; we can say that we are losing ground in terms of national assertion and our border regions are getting weak. The country does not end but rather begins where it borders on its neighbors.

In conclusion I will take a quote from the "American Challenge," by [Jean-Jacques-Seryan-] Schreiber and another one from a book of mine which our current ambassador to Brazil was kind enough to write an introduction to. Here is what Schreiber said:

"If there were another Andre Malraux today, he would make the soul of a generation vibrate not with the heroism of the fighting around Teruel but rather with the fabulous struggle over the conquest of metallurgy and the bitter struggle for the domination of the vital universe represented by integrated circuits."

And in my work I added:

"Avoiding the challenge of industrial civilization means deliberately submitting, it means accepting technological, economic, and cultural colonization. Our ecology, preserved by inaction, will constitute a tourist attraction for enjoyment and satisfaction by consumers from other nationalities who will be less receptive to the development efforts and who will be more diligent in the mental exchange which this new excitement and imitation of history demand."

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ARTICLE POINTS TO POSSIBLE INVALIDATION OF TIALTELOLCO TREATY

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[Article by Horacio J. Piacentini: "Reservations in International Law and Its Effects on the Tlaltecotco Treaty"]

[Text] Introduction

In No 52/53 of this magazine, General Gaglianelli covered the character of the reservations contained in the statements drafted by the signers of Protocols I and II of the Tlaltecotco Treaty. If this were so--and if they were expressly prohibited in the treaty text--there would be a possibility to suggest that they are invalid; this by itself would lead to the nullity of the ratifications; the entry into force of this multilateral treaty would thus be affected.

The purpose of this study is juridically to analyze all of these questions, as well as to propose a course of action in the light of the conclusions arrived at.

Argentina and Denuclearization

We know that the country's government is especially concerned with maintaining an independent position in the nuclear field. The pursuit of this objective has been rendered more difficult by various circumstances of an international order, such as the "nonproliferation" and "control" policy which the members of the exclusive London Club want to promote.

The above-mentioned policy was materialized through the drafting and signing of the NPT, a multilateral accord which the government of Argentina did not consider to be an adequate means for controlling the arms race since it stops horizontal spread but not vertical spread of nuclear arms. Hence, the refusal to sign it which is something that was likewise done by those countries that, just like Argentina, achieved appreciable development in nuclear matters.

We have a different evaluation regarding the Treaty for the Ban on Nuclear Arms in Latin America (Tlaltecotco Treaty), since, as foreign minister VAdm Oscar A. Montes told the United Nations Disarmament Conference in 1978:

"In contrast to the NPT, the Tlatelolco Treaty does not recognize any category of privileged countries. All sister nations in Latin America are strictly equal in assuming the obligations stipulated in the treaty. In creating a zone free of nuclear arms, the treaty signifies a real contribution to nuclear disarmament, although it does protect nuclear development for peaceful purposes," adding after that the announcement of the initiation of negotiations aiming at its ratification. He also made the following clear: "In doing so, (the government of Argentina) is confident" that the powers that have nuclear weapons and that have not yet done so will follow suit, thus permitting the treaty to go fully into effect." We understand this petition, in diplomatic language, to extend also to the powers that have already signed to the extent that they may have wanted to distort the text and the spirit of Tlatelolco through interpretations that would violate or endanger full implementation of the provisions of that treaty.

Entry Into Force of Treaty

Among the various requirements contained in treaties regarding the start of their effectiveness, the Tlatelolco Treaty contains one provision of a special character and of special interest to this study and that relates to the signing and ratification of Protocols I and II. The first of these applies to extracontinental or continental countries which, de jure or de facto, have responsibility over territories located in the zone of application; the second one pertains to those countries that have nuclear arms.

Both protocols obviously form a whole with the treaty in itself and they are equally obligatory and they are subjected to the stipulations spelled out in the accord in terms of their basic aspects and their form.

Consequently, if adhesion to these instruments were to be impaired due to error, fraud, violence, or the formulation of conditions that are impossible to comply with or that are prohibited, then the act of ratification in itself would be affected and, with it, the accord's entry into force.

Negotiations by Great Britain, Soviet Union, United States

At the moment of signing or ratifying the protocols, there were unilateral declarations from the countries indicated in the subheading above which, as we saw, violate the rights that are expressly granted by the treaty in the letter of its articles. This happens for example in the case of unrestricted development of nuclear energy for peaceful purposes (Article 17) and nuclear explosions which the contracting parties may carry out even though "they presuppose devices similar to those used in nuclear armament" (Article 18).

The limitation of the obligations we made reference to clearly springs from the same texts that accompany the ratifications. Great Britain, the United States, and the Soviet Union limited their duty to comply with certain standards which are expressly included in the treaty, by virtue of which the contracting parties are permitted to engage in certain acts.

In general, the three countries believe that the definition contained in Article 3 of the Treaty covers any nuclear device. And they therefore extend the ban contained in the provisions in Article 1 to explosions for peaceful purposes. This interpretation also includes the "transfer" of nuclear arms through the area, as the Soviet Union did.

Are these declarations reservations or are they not? This is a fundamental question in determining their scope and their obligatory character as far as the signatories of the multilateral treaty are concerned.

First of all we must make it clear--quickly getting into the problem raised in connection with reservations under international law--that these cases began to be significant starting in the 19th century with the appearance of international organizations, when the so-called "law-treaties" were being signed assiduously.

The definition of reservation in the Harvard Draft on the Law of Treaties says that: "A reservation is a formal declaration through which a state, at the time of signing, ratifying, or joining in a treaty, specifies as its condition its desire to be a party to the treaty under certain terms limiting the effect of the treaty as applied to the relations of that state with the other state or states that may be parties to the treaty."

The United Nations International Law Commission submitted a definition of reservations during the 16th period of sessions (1962) which it perfected by adopting elements from the earlier ones. The CDI (International Law Commission) says: "By reservation we shall mean the unilateral declaration formulated by a state in signing, accepting, or approving a treaty or joining in it, for the purpose of excluding or modifying the juridical effects of some provisions of the treaty in terms of its application to said state."

As we can see, both definitions contain two elements that can be underscored, that is: (1) unilaterality and (2) limitation of obligations. If both of these characteristics are combined we therefore find ourselves facing a "reservation."

Citing *Protesta Costa*, Jose Maria Buda says, "on various occasions, the states, in signing, ratifying, or joining a treaty, announce 'interpretive declarations' which almost always are of a political nature. However, if they affect the obligations under the treaty, they are considered to be reservations"².

That is exactly what is happening with the declarations by the powers that signed Treaties I and II and this is why we must arrive at the conclusion that we are facing real reservations here, concealed behind the mask of declarations.

Viability of Reservations

Although the Inter-American Juridical Committee in 1956 determined that the formulation of reservations is an act inherent in national sovereignty, it also

stated expressly that accepting them or rejecting them amounts to the same thing, requiring that acceptance always be made in express form.

We understand that a reservation expressed in any type of treaty entails an implicit invitation to renegotiate the clause that is the object of the condition.

However, there have been differing opinions on the problem within international forums and that also includes the opinions of states and authors on the subject of law. For example, the League of Nations believed that the objection, of a single state, to a reservation formulated by another state, would exclude the latter from participation in the treaty. This did not happen in the formula employed by the Pan American Union which recognized the right for the party that formulated the reservation to be a party to the treaty although of course the efforts were limited to those states that had accepted it.

In standard-type conventions--such as the Flattolish Treaty--we think that permitting various interpretations through reservations would turn the treaty into a dead letter and a permanent source of conflict. Just think what would happen if all of the signers had adopted the opinion expressed by Great Britain in Point 3 of its reservations (in its words) "...the Government of the United Kingdom could freely reconsider up to what point it might consider itself to be committed to the provisions of the Additional Protocol II." Saying that is the same thing as saying "I ratify but I do not ratify" and the consequences of this are also the same, in other words, anarchy in the implementation of reciprocal rights and obligations.

Any mechanism or procedure which is designed to harmonize the reservations and the body of the whole treaty--except for renegotiation--will be useless. The situation would be different if the task of creating compatibility were to be carried out beforehand, as provided for by the Inter-American Council of Legal Consultants in a draft submitted in Santiago de Chile in 1959, providing that states that join a multiparty treaty with reservations should send to the Pan American Union, in advance, the text of these reservations so that the organization might communicate them to the other signers and so that the latter may comment on their acceptance or rejection.

In 1930, the Inter-American Juridical Committee drafted a report establishing that the general principles of law in the matter of contracts should be applied to reservations, especially regarding consent and voluntary determination, so that the value of the reservations consequently depends on the "intention of the parties"--if there is an express norm permitting or prohibiting it. The committee pointed out that--if there were to be any controversy on what that intention is--one would have to resort to direct negotiations.

This vague criterion was by chance changed in 1959 by the Inter-American Juridical Committee itself which once again tried to orient everyone toward procedural norms pertaining to the formulation, notification, acceptance, or rejection of reservations. For this purpose it suggested the following

in a general form: "The reservations accepted by the majority of the States will have no effect concerning the States that may have rejected them."

As we can see, the faculty of the State opposed to the conditions--to which a multilateral accord is supposed to be subjected--to reject it by not complying with it is maintained. But in spite of that, it will often be convenient to reject reservations that were not accepted in an express form.

The reasons for rejection need not merely spring from the technical disapproval of the reservation but rather from the fact that this attitude will have to be based on the always essential circumstance of the modification of the spirit of the treaty and the clauses of the treaty which it is felt were disregarded.

The topic continued to be debated in international forums until it was decided, by virtue of Resolution 478 (IV) of the United Nations General Assembly, to require a consultative opinion from the International Court of Justice concerning the reservations to the Convention on the Prevention and Punishment of the Crime of Genocide. We can extract the following conclusions from the replies given by the International High Court to the question put to it:

1. No state may be forced without its consent.
2. Reservations are not effective against those states that reject them.
3. In a multilateral accord, no state may unilaterally destroy the ultimate purpose of the convention or shake its spirit.
4. The integrity of the convention does not allow mutilations by those who sometimes accept and sometimes do not accept its provision.
5. A state may be a party to the convention in spite of the rejection of the reservation that may have been presented by some other signer.
6. There must be compatibility between the object and the purpose of the convention and the reservation.
7. If there are any disagreements, the Court considers acceptable the idea of resorting to judicial procedures and not to propose direct negotiations.

The General Assembly also invited the International Law Commission to express itself on the problem of reservations. In 1950, that body had analyzed the matter and its opinion was the opinion of the rule of "unanimous consent" before a reservation can be valid.

Later on during its third meeting, the commission submitted a report in which it arrived at the following conclusion; in cases where the treaty does not say anything about the validity of reservations, any manifestation by a state

that signifies the formulation of a condition. In the style implied in a reservation, alters the text of the convention and, for its acceptance, requires the approval of all of the "interested parties"; the latter are included to mean the signers or the ratifiers, without distinction. The report says the following verbatim: "a state which expressed a reservation may be a party only in the absence of any objection from another state which, at the time of the reservation is formulated, has ratified, signed, or accepted the convention."

In issue No 13 of AMERICAN INTERNATIONAL LAW REVIEW, Charles P. Anderson maintains that ratification of treaties with reservations demands that the signatory powers meet and sign a "document of ratification" stating that the various ratification documents of the parties were examined and were found to be in proper form, and it must likewise make reference to the existence or absence of reservations and whether or not they were accepted.

In 1948, the 16th United Nations General Assembly Session analyzed both positions--the consultative opinion and the report--and the United States and advocated the need for applying the consultative opinion, that is to say, the flexible position. As a result of this analysis, the assembly, after a bitter debate, approved Resolution 598 (VI) which primarily recommended settling, into the multilateral conventions, certain stipulations on the admissibility of reservations. It recommended to the secretary-general that he continue to exercise his functions as depositary without saying anything about the juridical effects of the reservations, communicating to the interested states the text of the pertinent documents so that each of them may derive the juridical consequences which may be convenient.

That resolution produced a storm of criticisms from various jurists, including the Argentine Professor Costa³ who stated that the law requires precise stipulations and not ambiguities.

Later on, in 1962, because of the reservations expressed by India with respect to the convention creating the IMCO (Intergovernmental Maritime Consultative Organization) and the debate it produced, it was decided to amend Resolution 598 (V) and the secretary-general was instructed to continue applying the system described earlier "...to all of the agreements concluded under the auspices of the United Nations, not containing any provisions to the contrary." We note that the express provision contained in a multilateral agreement concerning reservations invalidates the entire flexible procedure, including the procedure in Resolution 598 (VI).

When the International Law Commission began to take up the Law of Treaties in an overall fashion, it adopted the flexible procedure, saying: "...the state that makes a reservation is considered now in practice to be a party to the convention by the majority of the states that do not communicate their objection to the reservation." In the next subparagraph it adds that there is need for compatibility between the object of the treaty and the reservation, denying validity to the incompatible reservation. The commission

also stated that, if the accord creates international organizations, it is up to the competent body to determine whether or not there is compatibility. In its opinion it expressly reserves the right of the interested state not to accept the reservation and in that case the treaty will not be in effect between that state and the state has formulated it [the reservation].

In the work we just mentioned, Ruda says: "It is obvious that when, the International Law Commission and the General Assembly, again take up the topic, they will be able to amend the flexible system adopted in 1962 to a greater or lesser degree; but the system of unanimity has definitely been wiped out in the case of general multilateral treaties."

As far as the possibility of creating compatibility through an international body is concerned, the author quoted admits that the path would be very difficult because the international juridical structure does not have any obligatory jurisdictional bodies.

Situation with Respect to Tlaltelolco Treaty

After analyzing the technical-juridical aspects raised by reservations, through their development under international law, we must analyze the Tlaltelolco Treaty specifically.

The accord says in its Article 2/ "that the present treaty cannot be the subject of reservations," however, as we have seen, the countries that signed Protocols I and II did so by making statements, at the moment of signature, which, by virtue of the limitations on the obligations which they imply, technically do constitute reservations. Significantly, they are aimed at preventing nuclear explosions for peaceful purposes, moving Tlaltelolco closer to the NPT and removing it further from its ultimate purpose which is to prevent the "zone" defined by it to become a theater of wartime operations involving nuclear armament.

Since we agree with the fact that the current international juridical system has abandoned the rigid system--requiring acceptance by all--adopting in its place the so-called "Pan American Norm," we must see what juridical effects will derive from those reservations.

Looking at the express norm prohibiting them, we would have to conclude that they are null with absolute and irrecoverable nullity by virtue of this prohibition and because they violate subjective rights of the other contracting states.

Now, it so happens that, if this criterion is strictly applied, the consensus of the states signing the protocols would be affected and this would lead straight to the nonexistence of ratification and as a result of that the entire treaty would be inoperative. We believe that we are interpreting the feeling of all Latin America in saying that this criteria would not be beneficial to this community of nations, first of all, because the countries in the area must absolutely make an effort to achieve the integral development of

their economies and their national potentials and for that they must be free of the ruinous race leading to the possession of nuclear arms. That applies also to the possibility of being attacked with these arms. Secondly, because it would imply a serious political setback to all American governments--which provided incentives for us gave life to the treaty--a setback which, because of the withdrawal of obligations on the part of those that should unconditionally abide by the protocols, would bring down the entire treaty structure. In the world of coexistence one cannot coexist by imposing oneself through the use of force--regardless of the way in which it may manifest itself--unless one wishes to approach chaos on this planet.

As solution we proposed the adoption of a "maximum flexibility" system which would permit the participation of all states in the substantial part of the treaty and which would exclude them bilaterally in all those cases where the reservations may have expressly been rejected.

Within this framework there are some possibilities of application of a certain "administrative procedure" in order to redirect relations and correctly to define the obligations and rights of the interested states. Thus for example we might mention some steps that could be taken:

1. The depository government--Mexico--could forward the reservations to the other members of the treaty to have them express their opinions.
2. Any of the signatories--regardless of whether they ratified or not--could ask for a meeting of the general conference of OPANAL [Organization for the Proscription of Nuclear Arms in Latin America] so that, by virtue of the provisions of Article 19, paragraph 2, subparagraph a. of the treaty, it may proceed to resolve the issue as to the validity and extent of reservations.
3. Any member could ask that a "joint ratification document" be drafted and signed so that the observations which the parties must make among each other may be clearly determined.
4. If there were to be agreement among the parties, the treaty provides the possibility of submitting any question concerning the application or interpretation of the same to the competence of the International Court of Justice (Article 29).

Since the ultimate purpose of the treaty primarily--or at least one of the purposes of the treaty--would be harmed by the reservations, the interested states--regardless of the group attitudes mentioned earlier--will have to adopt some of these positions:

(A) Signing states. At the moment of ratification, they must declare that, in keeping with the provisions of Article 27, they believe that there is no obligatory requirement for the reservations which, by way of interpretation, the countries signing Protocols I and II seek to make in the norms of the treaty. This is done in the light of the fact that the above mentioned declarations undoubtedly violate the spirit of the accord, furthermore

establishing significantly anarchic and vague criteria, as the previously mentioned point (D) in the reservation expressed by Great Britain.

(B) Signing and ratifying states which had prior knowledge of the reservation. Regardless of whether or not solutions of a unilateral type are adopted, such as those, directly disregards the pretensions of the reserves or such as those which, in the extreme case, denounce the accord, they should demand the adoption of some of the mechanisms spelled out in detail in points 1, 2, 3, in the preceding paragraph, which would permit them to open a new debate on the topic and which would make it possible to redefine the scope of their signature and ratifications.

(C) States signing and ratifying without prior knowledge of reservations. They would have to make a declaration, at the moment of ratification, clearly spelling out their position toward the reservations and they would have to notify the OPANAL and the signers of the protocols.

Possibility of Termination

In case of stubbornness on the interpretation of the declarations analyzed and in case of evident interest on the part of the signatories in maintaining an independent position on the matter of nuclear development, we believe that it would be proper, based on national interest, to proceed to launch the mechanism provided for in Article 30 and to announce the termination of the treaty, separating from it.

FOOTNOTE

1. Harvard Draft Convention "American Journal of International Law" 1935 pp 643-45.
2. Jose Maria Ruda, "Reservations in Multilateral Agreements," REVISTA DEL DERECHO INTERNACIONAL Y CIENCIAS DIPLOMATICAS [International Law and Diplomatic Sciences Review], Vol 12, January-December 1966, No 23-24, "Dr Mario Antelo," International Law Institute, Rosario, Republic of Argentina.
3. Podesta Costa, DERECHO INTERNACIONAL PUBLICO [Public International Law], Vol 1, pp 385-386.

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